

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

TIFFANY FAHRNI, et al.,

Plaintiffs,

v.

COUNTY OF TULARE, et al.,

Defendants.

Case No. 1:23-cv-01265-KES-SAB

ORDER STAYING PROCEEDINGS IN
THIS MATTER AGAINST DEFENDANT
WELLPATH, LLC PURSUANT TO 11
U.S.C. § 362

ORDER REQUIRING PLAINTIFFS TO
FILE STATUS REPORT

(ECF No. 46)

FIFTEEN DAY DEADLINE

Plaintiffs filed this action on August 23, 2023. (ECF No. 1) The operative first amended complaint asserts claims against Defendants: (1) County of Tulare; (2) Precision Psychiatric Services, Inc.; (3) Anthony Ceja; (4) Sureshbabu Kurra; (5) Adolfo Gallardo, Jr.; (6) Salvador Santillan; (7) Anyval Suarez; (8) Wellpath, LLC (“Wellpath”); and (9) Alla Liberstein, MD. (ECF No. 29.) The initial scheduling conference was held on December 5, 2023. (ECF No. 24.) Neither the pretrial conference nor trial have been set in this matter.

On November 15, 2024, Defendant Wellpath filed a suggestion of bankruptcy and notice of stay indicating that on November 11, 2024, Wellpath filed for bankruptcy in the United States Bankruptcy Court for the Southern District of Texas (Houston Division) for relief under chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”). (ECF No. 46.) The

1 bankruptcy case is pending under case number 24-90563-(ARP).

2 Pursuant to Section 362 of the Bankruptcy Code, all actions against a defendant who has
3 filed a bankruptcy petition are automatically stayed once the petition is filed. 11 U.S.C. § 362(a)
4 (staying “the commencement or continuation, including the issuance or employment of process,
5 of a judicial, administrative, or other action or proceeding against the debtor that was or could
6 have been commenced before the commencement of the case under this title, or to recover a
7 claim against the debtor that arose before the commencement of the case under this title.”); see
8 also Sternberg v. Johnston, 595 F.3d 937, 943 (9th Cir. 2010). Accordingly, all proceedings in
9 this matter against Defendant Wellpath shall be stayed pursuant to Section 362(a) of Title 11,
10 United States Code.

11 As noted above, no pretrial conference or trial has been set in this action. The Court
12 tentatively orders a stay of this action against Wellpath only and that the action proceed against
13 the other eight defendants. The Court shall order the parties not subject to the automatic stay to
14 file a status report within fifteen (15) days indicating whether this action should proceed in some
15 manner against any of the named Defendants or if this matter should be stayed in its entirety.
16 See Parker v. Bain, 68 F.3d 1131, 1137 (9th Cir. 1995) (“All proceedings in a single case are not
17 lumped together for purposes of automatic stay analysis. Even if the first claim filed in a case
18 was originally brought against the debtor, section 362 does not necessarily stay all other claims
19 in the case. Within a single case, some actions may be stayed, others not. Multiple claim and
20 multiple party litigation must be disaggregated so that particular claims, counterclaims, cross
21 claims and third-party claims are treated independently when determining which of their
22 respective proceedings are subject to the bankruptcy stay.” (quoting Maritime Elec. Co. v.
23 United Jersey Bank, 959 F.2d 1194, 1204–06 (3d Cir. 1992))). Alternatively, the Court is
24 available to conduct a status conference with the parties not subject to the automatic stay.

25 Accordingly, IT IS HEREBY ORDERED that:

- 26 1. All proceedings in this matter against Defendant Wellpath, LLC are STAYED
27 pursuant to Section 362(a) of Title 11, United States Code;
- 28 2. Plaintiffs shall provide notice to the Court within **thirty (30) days** of the

1 conclusion of the bankruptcy action; and

- 2 3. Within **fifteen (15) days** of service of this order, the parties shall request a status
3 conference or file a status report indicating whether this matter should be stayed
4 in its entirety and all matters vacated or whether a settlement conference should
5 be set.

6
7 IT IS SO ORDERED.

8 Dated: **November 18, 2024**



STANLEY A. BOONE
United States Magistrate Judge